
Postsecondary Education & Workforce Committee

HB 1643

Brief Description: Creating the hospital-based nurse student loan repayment assistance program under the Washington health corps.

Sponsors: Representatives Riccelli, Slatter, Berry, Lekanoff, Senn, Simmons, Ramel, Timmons, Stonier, Pollet and Doglio.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Enacts the Hospital-Based Nurse Student Loan Repayment Assistance Program under the Washington Health Corps.
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Hearing Date: 2/7/23

Staff: Saranda Ross (786-7068)

Background:

In 2019, the Legislature established the Washington Health Corps to encourage healthcare professionals to work in underserved communities. In exchange for service, a healthcare professional receives assistance with higher education in the form of loan repayment or conditional scholarships. The Washington Health Corps is an umbrella program under which three programs exist:

- the Health Professional Loan Repayment and Scholarship Program;
- the Behavioral Health Loan Repayment Program; and
- the Nurse Educator Loan Repayment Program.

The Office of Student Financial Assistance, created within and under the direction of the

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Washington Student Achievement Council, administers these programs in collaboration with the Department of Health. The first two programs, the Health Professional Loan Repayment and Scholarship Program and the Behavioral Health Loan Repayment Program, both provide a maximum loan repayment award of \$75,000 for a minimum three-year service obligation of full-time employment. A participant is required to work at least a 24-hour work week and is allowed 40 days per year in leave. If the participant works less than full-time, employment may be prorated up to five years. Each programs' eligibility differs in the type of licensed health professionals and geographic areas of service. The Nurse Educator Loan Repayment Program was added to the Washington Health Corps in 2022.

Summary of Bill:

The Hospital-based Nurse Student Loan Repayment Assistance Program (Program) is created under the Washington Health Corps and administered by the Office of Student Financial Assistance (Office). The Program pays student loans, in full or in part and up to five years, of nurses selected by the Office who commit to a service obligation of providing, or continuing to provide, nursing services as employees of participating hospitals or psychiatric hospitals in the state. In consultation with the Department of Health (DOH) and the Department of Social and Health Services (DSHS), the Office sets the service obligation, which is between three and five years, and determines the annual award amount based on a calculation of 50 percent of the sum of the required monthly student loan payments for 130 percent of the median participating nurses' loan amount for the required service obligation. In determining the exact service obligation, the Office may consider the amount of the loan repayment award such that a higher award may require a longer service obligation. The Office also administers a process for hospitals to elect to become participating hospitals.

Unless designated by Medicare as a critical access hospital or sole community hospital, participating hospitals must make payments to the Office that amount to 50 percent of the amounts paid to nurses serving in the hospital and participating in the Program in the previous quarter. These funds may only be used to fund loan repayment for participants. In addition, these funds, along with any funds appropriated by the Legislature and any public or private funds intended for loan repayment under this bill, are placed in a Program-specific account in the custody of the Washington State Treasurer.

Nurses are ineligible to participate if they have received:

- a scholarship from the Health Professional Loan Repayment and Scholarship Program;
- loan repayment from the Behavioral Health Loan Repayment Program;
- loan repayment from the Nurse Educator Loan Repayment Program; or
- a scholarship from programs authorized under the Rural Health Care Act.

Appropriation: None.

Fiscal Note: Requested on February 2, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.